

Your Health Matters

IMPORTANT NEWS ABOUT OPEN ENROLLMENT 2004

A Message from the Department of Administration Director



The Arizona Department of Administration will launch a new health care program called Arizona Benefit Options (AzBO) on October 1, 2004. The cornerstone of Arizona Benefit Options will be the State's new medical plans, which will cover approximately 70,000 State employees and retirees.

"Arizona Benefit Options will bring more choice, better value, and a more comprehensive health care program to our members. We have designed a total benefits package tailored specifically for our employees, retirees, and their families. We know that you will be pleased by the increased choice and the tremendous value that we are able to offer through our new program."

Betsey Bayless
Director, Department of Administration

New Name. New Beginning.

It's about **Choice** ... It's about **Value** ... It's about **You**. These are the guiding principles of the Arizona Department of Administration's new Arizona Benefits Options (AzBO) program, which was announced in our first newsletter. This second newsletter lists the AzBO plans and premiums, and also provides important information to prepare you for the upcoming Open Enrollment. We are excited about this new program and the improvements that it offers.

Choice: All employees will have an increased choice of medical plans. Employees in Maricopa, Gila, Pinal, Pima, and Santa Cruz counties will have the option of three Exclusive Provider Organizations (EPOs) and two Preferred Provider Organizations (PPOs) — two more plans than are currently offered. Having both an EPO and a PPO plan available in all of the other counties will double the number of

Si necesita asistencia en español, por favor llame a la Oficina de Opciones de Beneficio de Arizona (AzBO) al 602.542.5008, o al número gratuito 1.800.304.3687. El AzBO Centro de Servicio al Cliente está preparado para explicarle los detalles de esta carta informativa. Durante el periodo abierto de inscripción, Agosto 2 hasta Septiembre 10, 2004, los centros de apoyo de inscripción estarán disponibles para ayudarle a inscribirse a través de la localización de página AzBO. Su paquete de inscripción abierta, el cual será enviado a su casa a últimos de Julio, incluirá una lista indicando los días, horas y lugares de los centros de apoyo de inscripción con personal que hablan español.

plans available to employees residing in those counties. The AzBO plans will feature approximately 25% more doctors than are currently offered.

The NAU Blue Cross Blue Shield (BCBS) plan is still available in all regions as an option for NAU employees only.

(New Name continues on page 2)

All University employees must re-enroll. If you do not re-enroll during Open Enrollment, you will not have health, vision and/or Standard life insurance benefits after September 30, 2004.

(*New Name* continued from page 1)

Value: Health care costs are skyrocketing nationally. Last year, they increased by as much as 12% over the previous year. These national costs are forecast to increase an additional 13% this year. Even though the State experienced these increases, most Arizona State employees will find their costs with AzBO show **no increase or have even declined from last year's premiums.**

- Most employees currently enrolled in an HMO plan will experience **no increase** in premiums for a comparable AzBO option (the EPO).
- Employees in Maricopa and Pima counties with PPO coverage will experience a **30% reduction** in their premiums.
- As importantly, there will be **no increase** for medical or prescription copayments.
- There are no coverage changes to the NAU BCBS plan, with only slight premium increases.

AzBO is also offering many improvements to your life insurance options.

- The State has increased your State-purchased basic coverage to \$15,000, for a **25% increase in coverage.**
- The maximum Standard supplemental life insurance amount remains at three times your annual

base salary. However, the State has increased the maximum dollar amount from \$200,000 to \$300,000.

- Normally, there are limits to the amount by which you may increase your Standard supplemental life insurance. For this Open Enrollment period only, this limit will be waived up to the maximum.

You: You asked for more options. You wanted better controlled premium costs. We listened and designed this program specifically for our employees, retirees and their families.

Whenever a change in plan providers is implemented, there is the potential for having to change doctors. Although AzBO has been designed to minimize that disruption, some employees will have to change providers. To ease this process, AzBO is providing a comprehensive program that will allow you to continue critical treatment programs while transitioning to your new provider. After carefully reviewing the information in this newsletter, if you have any questions or concerns, let us know. We have staff dedicated solely to helping you through this process. Support services are listed in the Open Enrollment section within this newsletter.

OPEN ENROLLMENT

WHO: All University employees must re-enroll.

WHEN: The Open Enrollment period will begin Monday, August 2, 2004 and will end Friday, September 10, 2004.

HOW: You have two options:

1. Use the www.benefitoptions.az.gov website. This option requires a computer with Internet access.
2. Use the Arizona Benefit Options Interactive Voice Response (IVR) telephone system. This option requires a touch-tone phone.

NAU employees will need to enroll on the PeopleSoft Louie System.

Open enrollment is a paperless process. No paper forms will be accepted.

WHERE: Employees may use their computers at work or at home. Your Open Enrollment packet will include a list of State-spon-

sored sites where you will have computer access and support during normal work hours.

SUPPORT: Arizona Benefit Options will provide the following support services to help you make your benefit choices and enroll successfully.

Benefit Options Website: You may visit our website at www.benefitoptions.az.gov at any time. This website includes detailed information about your options and a comprehensive list of answers to frequently asked questions.

Open Enrollment Toll-free Number: You may call 1.800.304.3687 from 8:00 am to 5:00 pm, Monday through Friday, with your open enrollment questions. Beginning July 19, 2004, hours of operation will be 7:00 am to 6:00 pm MST. The local telephone number for the Client Services Center is 602.542.5008.

Open Enrollment Email Site: You may email questions (*Open Enrollment* continues on page 3)

(*Open Enrollment* continued from page 2)

to AzBO at oequestions@ad.state.az.us at any time.

Benefit Fairs: If you would like to meet with representatives of the Benefits Office and/or plan representatives to discuss your benefit questions, there will be two types of fairs:

- In-Person Meetings where you may meet plan representatives. Already, 19 Benefit Fairs have been scheduled throughout the State during August and September.
- Videoconferencing Meetings where you may talk with plan representatives. A list of the scheduled videoconferences will be included in your Open Enrollment packet and is available on our website at www.benefitoptions.az.gov. **Due to seating limitations at the videoconference sites, preregis-**

tration is required. You may preregister by calling 602.542.5008 or toll free at 1.800.304.3687 and pressing 14. You may also preregister via email at beneissues@ad.state.az.us.

Enrollment Support Centers: If you need help using the online enrollment system, the Benefits Office is providing computer centers throughout the State to assist you. A complete listing of the sites, dates and times of operation will be included in the Open Enrollment packet you will receive in late July. Spanish-speaking staff will be available at selected centers.

OPEN ENROLLMENT PACKETS WILL BE MAILED TO YOUR HOME IN LATE JULY, PROVIDING YOU WITH PLENTY OF TIME TO REVIEW AND SELECT YOUR BENEFIT OPTIONS.

Do You Have an Ongoing Medical Condition?

We know that your health issues are of great concern to you. Many employees have ongoing health issues for which they are currently being treated. Transition of Care (TOC) ensures there is no interruption of your health care if, within the past three months, you have been receiving ongoing medical treatment from a provider for an applicable medical condition. Examples of medical conditions which may or may not require TOC can be found at the end of this section.

The State has specifically contracted with a team of medical professionals to guide you through this transition. They will work with you on a personal and confidential basis. In most cases, TOC allows you to continue

treatment with a non-network practitioner at the time of your coverage in the new plan. The State will provide a reasonable transition period for you to continue your course of treatment. The benefit applies only to treatment provided or ordered by the physician approved by the plan administrator. After this transition period, your medical care must be provided by a network provider.

Your Open Enrollment packet will include a TOC form. You must complete and return this form to apply for TOC support.

If you have concerns or questions about Transition of Care, please call the Client Services Center at 602.542.5008 or toll free at 1.800.304.3687.

Examples of Medical Conditions

Examples of medical conditions likely to benefit from TOC assistance include:

- Second or third trimester pregnancy
- Recent heart attack or stroke
- Cancer requiring surgery, chemotherapy or radiation therapy
- Transplant candidates, unstable recipients or recipients in need of ongoing care due to complications associated with a transplant
- Receiving physical therapy, occupational therapy or speech therapy
- Acute trauma such as a bone fracture
- Home health care, acute rehabilitation, rental of DME (durable medical equipment) such as wheelchairs, oxygen and SVN machines
- Certain psychiatric treatment or substance abuse programs

- Dialysis
- Recent surgical procedures still within the global follow-up period of when complications may arise (generally 6-8 weeks)
- Medications which need prior authorization and/or self-injectable medications which will require TOC for uninterrupted service.

Examples of medical conditions which are NOT likely to need TOC assistance include:

- Routine medical exams
- Immunizations and health assessments. These usually can be treated successfully by a network provider.
- Surgeries such as removal of lesions, hernia repairs or hysterectomies would be rescheduled with an in-network provider if possible.

MONTHLY MEDICAL PREMIUMS

	SINGLE			FAMILY		
	Your Cost	State Cost	Total Premium	Your Cost	State Cost	Total Premium
<i>Central Region: Maricopa, Gila, Pinal Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$312.00	\$337.00	\$125.00	\$718.00	\$843.00
Schaller Anderson Healthcare (SA) EPO	\$25.00	\$312.00	\$337.00	\$125.00	\$718.00	\$843.00
United Healthcare (UHC) EPO	\$35.00	\$312.00	\$347.00	\$135.00	\$718.00	\$853.00
Arizona Foundation (AZF) PPO	\$140.00	\$419.00	\$559.00	\$390.00	\$980.00	\$1,370.00
United Healthcare (UHC) PPO	\$150.00	\$419.00	\$569.00	\$400.00	\$980.00	\$1,380.00
<i>Southern Region: Pima, Santa Cruz Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$302.00	\$327.00	\$125.00	\$692.00	\$817.00
Schaller Anderson Healthcare (SA) EPO	\$25.00	\$302.00	\$327.00	\$125.00	\$692.00	\$817.00
United Healthcare (UHC) EPO	\$35.00	\$302.00	\$337.00	\$135.00	\$692.00	\$827.00
Arizona Foundation (AZF) PPO	\$140.00	\$376.00	\$516.00	\$390.00	\$859.00	\$1,249.00
United Healthcare (UHC) PPO	\$150.00	\$376.00	\$526.00	\$400.00	\$859.00	\$1,259.00
<i>Northern Region: Yavapai, Coconino, Navajo, Apache Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Southeastern Region: Graham, Greenlee, Cochise Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Western Region: Mohave, La Paz, Yuma Counties</i>						
RAN/AMN (HMA) EPO	\$25.00	\$420.00	\$445.00	\$125.00	\$988.00	\$1,113.00
Arizona Foundation (AZF) PPO	\$140.00	\$443.00	\$583.00	\$390.00	\$1,068.00	\$1,458.00
<i>Out-of-State</i>						
Beech Street PPO	\$25.00	\$558.00	\$583.00	\$125.00	\$1,333.00	\$1,458.00
<i>NAU Only – Available in All Regions</i>						
Blue Cross/Blue Shield of AZ PPO	\$15.00	\$430.14	\$445.14	\$115.00	\$1,028.64	\$1,143.64

MONTHLY DENTAL PREMIUMS

	SINGLE			FAMILY		
	Your Cost	State Cost	Total Premium	Your Cost	State Cost	Total Premium
Delta Dental	\$12.10	\$15.40	\$27.50	\$45.90	\$43.50	\$89.40
Employers Dental Services (EDS)	\$3.54	\$6.18	\$9.72	\$16.72	\$11.50	\$28.22
MetLife Dental	\$12.10	\$15.40	\$27.50	\$42.46	\$43.50	\$85.96
Fortis Dental	\$4.68	\$6.18	\$10.86	\$18.02	\$11.50	\$29.52

MONTHLY VISION PREMIUMS

Avesis Vision	SINGLE		FAMILY	
Your Cost	\$6.34		\$17.18	

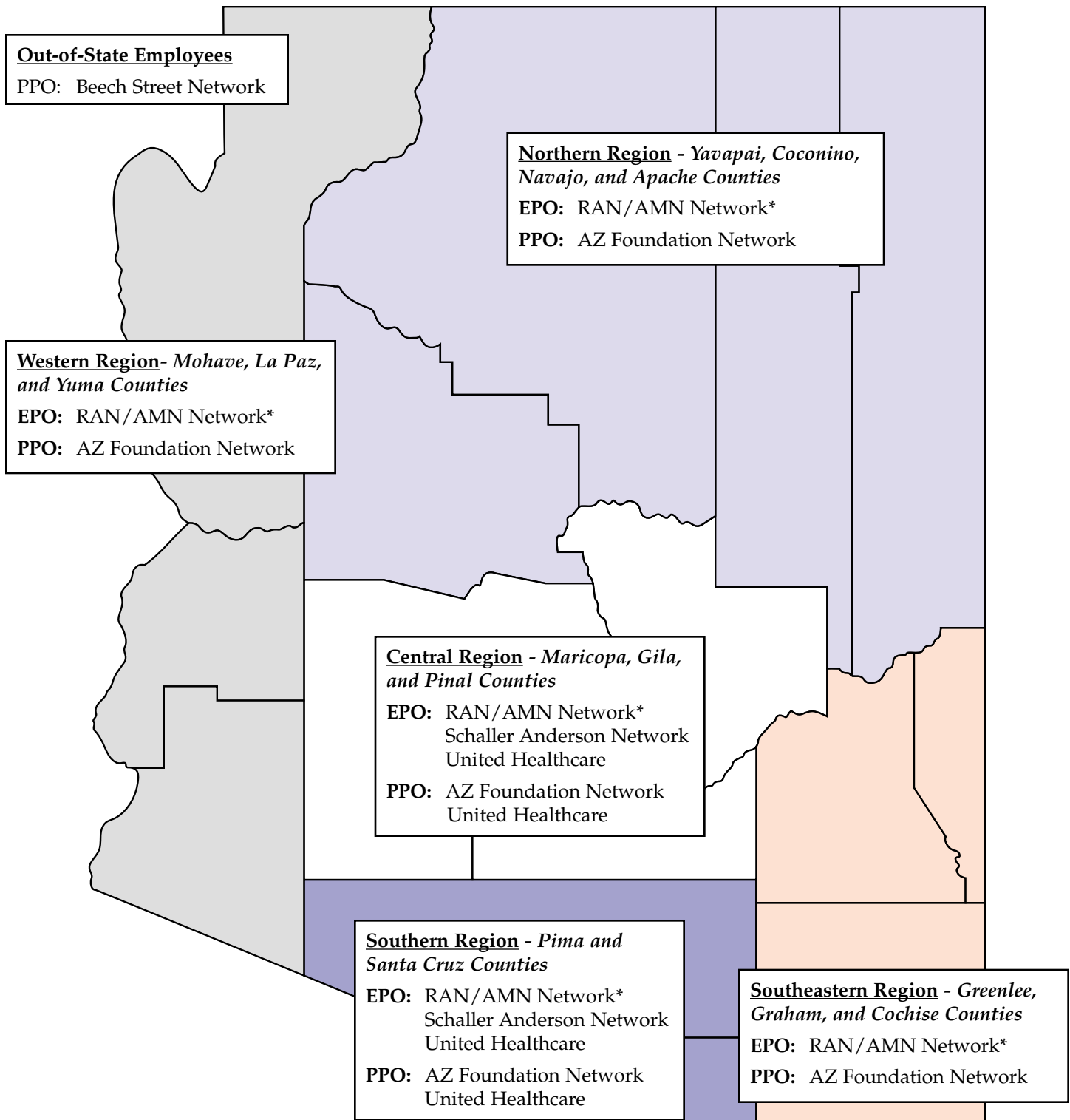
MONTHLY PREMIUMS - STANDARD DEPENDENT LIFE

Coverage Amount	Your Cost
\$2,000	\$0.94
\$4,000	\$1.88
\$6,000	\$2.82
\$12,000	\$5.64
\$15,000	\$7.06

MONTHLY PREMIUMS - STANDARD SUPPLEMENTAL LIFE

Your Age	Your Cost per \$5,000 of Coverage
29 and under	\$0.50
30-34	\$0.60
35-39	\$0.70
40-44	\$1.20
45-49	\$1.60
50-54	\$2.60
55-59	\$3.70
60-64 & 65-69	\$6.70
70+	\$10.60

Health Plans for University Employees



Definitions:

Exclusive Provider Organization (EPO): Provides services just like an HMO. You may be asked to select a primary care physician who will organize all of your care.

Preferred Provider Organization (PPO): Provides flexible access to care without a primary care physician.

NAU Employees Only: The BCBS PPO plan is available in all regions.

Aetna Supplemental Life Insurance
AVERAGE MONTHLY PREMIUM SCHEDULE (per \$1,000 of coverage)
Rates automatically adjust for salary and age.

AGE	ASU/ABOR	NAU	UA
18-24	\$0.13	\$0.04	\$0.08
25-29	.15	.06	.08
30-34	.16	.07	.08
35-39	.20	.09	.12
40-44	.23	.14	.20
45-49	.29	.21	.32
50-54	.37	.31	.38
55-59	.48	.42	.60
60-64	.63	.58	.92
65-69	.92	.80	1.38
Age 70+	Contact your University Human Resources Office for premium rates.		
MINIMUM COVERAGE	1 x annual salary rounded up to nearest \$1,000	1 x annual salary rounded up to nearest \$1,000	Approximately 1 x annual salary
AVAILABLE COVERAGE	Option A – 1 x annual salary Option B – 2 x annual salary Option C – 3 x annual salary	Option A – 1 x annual salary Option B – 2 x annual salary Option C – 3 x annual salary	Option A – approximately 1 x annual salary Option B – approximately 2 x annual salary
MAXIMUM COVERAGE	3 x annual salary or \$80,000, whichever is less	3 x annual salary or \$100,000, whichever is less	Option A – up to \$40,000 Option B – up to \$80,000
DEPENDENT COVERAGE (options and monthly premium)	Included in all supplemental coverage \$5,000 Spouse \$2,500 each child	Option 1 Spouse \$10,000 Child(ren) \$5,000 \$4.54 per month Option 2 Spouse \$5,000 Child(ren) \$2,500 \$2.26 per month May only be elected with Aetna Supplemental life coverage	Spouse \$5,000 Child(ren) \$5,000 \$ 0.66 per month premium May only be elected with Aetna supplemental life coverage
Accidental Death & Personal Loss	Yes	Please contact your Human Resources Office.	Refer to Summary of Coverage.
Portability Option	Refer to Summary of Coverage.	For Retirees Only	Refer to Summary of Coverage.

SHORT-TERM DISABILITY PLANS (When electing coverage, choose only one carrier.)

	STANDARD	UNUMPROVIDENT
Benefit	66-2/3% of weekly base pay	70% of weekly base pay
Monthly premium per \$100 of base pay	\$0.89	\$0.84
Maximum weekly benefit	\$769.27	\$725.00
Maximum annual pay for computation purposes	\$60,000	\$53,857

Treatment without Referrals— Exclusive Provider Organizations (EPOs)

The Benefit Options team knows it is inconvenient to obtain an authorization from your primary care physician (PCP) if you want to see a specialty physician. Therefore, we are offering EPO plans with greater flexibility. Although you will still be re-

quired to have a PCP, you will not need to obtain your PCP's referral if you wish to see an in-network specialist such as a dermatologist or orthopedist. However, local out-of-network treatment will not be available in the EPO plan.

Frequently Asked Questions

Since June 4, 2004, the Benefit Options team has been responding to your emails and phone calls regarding issues and questions you have with the new program. Here are some of the most commonly asked questions and the answers to them. Please check our website, www.benefitoptions.az.gov, for a complete list.

If I travel for research or have a dependent going away to college, will the new program include guest privileges?

Yes, the new program will include guest privileges. If you travel out-of-state, you will be covered through the Beech Street travel network. Beech Street is the country's largest independently owned Preferred Provider Organization (PPO). This plan, which serves more than 16 million individuals throughout the United States, currently contracts with more than 3,300 hospitals, 50,000 specialty care facilities and more than 345,000 providers.

All member identification cards will carry the Beech Street logo, ensuring that you will receive needed care should you have a medical emergency while traveling.

Full-time students will receive PPO services through Beech Street, regardless of whether they are covered by a PPO or EPO plan in Arizona. You do not need to enroll in a PPO plan in order for your dependent to receive care. United Healthcare members will receive guest privileges through the national United Healthcare network.

I have been with my doctor for 10 years. I do not see his name on the website. What do I do?

If your physician is with a CIGNA clinic, you will need to choose a new primary care physician. However, if your physician is not with a CIGNA facility, you may contact our office at 602.542.5008 or toll free at 1.800.304.3687 and provide the name and office address of your physician to the ADOA Benefits staff. This information will be forwarded to the available networks for possible recruitment of your doctor. Continue to check our website, www.benefitoptions.az.gov, for updates and new physician listings. You may also have your physician contact our office if he/she is interested in becoming a participating provider in Arizona Benefit Options medical plans.

I currently have the Point of Service (POS) plan. Why is it not offered this year?

Due to low enrollment in the POS plan, this option was

eliminated with the new program. The flexibility of the EPO plan will allow you to experience the same features you enjoyed with the POS plan for a lower premium rate.

Will international travel be covered in the new program?

The State is currently examining the available options for international coverage and will have additional information in the next month. Please check our website, www.benefitoptions.az.gov, for updates regarding international travel.

Pharmacy Benefits— Better Than Ever

Pharmacy

The Walgreens Health Initiatives (WHI) network consists of more than 54,000 participating chain and independent pharmacies nationwide. There are approximately 900 member pharmacies within the State of Arizona including but not limited to:

Albertsons	Fry's	Smith's
Bashas'	K-Mart	Target Pharmacy
CVS Pharmacy	Longs Drugs	United Drugs
Costco	Osco Drugs	Vons
Eckerd	Rite Aid	Wal-Mart
Food 4 Less	Safeway	Walgreen's
Food City	Sam's Club	Winn-Dixie

For a complete list, please refer to our website, www.benefitoptions.az.gov to search for a participating pharmacy near you.

Mail Order Prescriptions

WHI will also provide a mail order service. This service offers convenience and is particularly cost effective for members on maintenance medications for chronic or long-term health conditions, such as high blood pressure or diabetes. Participants may request up to a 90-day supply for the price of a two-month copay. The mail service pharmacy is located in Tempe, Arizona.

You may begin registering for mail order service on September 20, 2004. At that time, a registration form will be available for you to complete. You will also need to submit new prescriptions from your provider.

Is My Doctor in a Plan? Is My Hospital? Where Do I Get My Prescriptions?

You now have two ways of determining which plan includes your current doctor and hospital.

Our website, www.benefitoptions.az.gov, includes a search feature that allows you to identify the AzBO plans to which your doctor or hospital belongs.

Alternatively, you may call the Client Services Center to obtain this same information.

Should you find that your doctor and/or hospital are not already in any of the plan offerings, you may ask the Benefits staff to attempt to add them to one of the network offerings. How? Call the Client Services Center with this information or

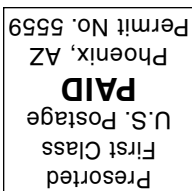
email your doctor's name and office address to beneissues@ad.state.az.us. The Benefits staff will then try to have your doctor and/or hospital added to one of the network offerings.

To find the pharmacy closest to you that belongs to the Walgreens Health Initiatives network, you may use the pharmacy search function on the AzBO website or call the Client Services Center.

The Client Services Center telephone numbers are 602.542.5008 or 1.800.304.3687 (toll-free). Hours of operation are 8:00 am to 5:00 pm, Monday through Friday. Beginning July 19, 2004, hours of operation will be 7:00 am to 6:00 pm MST.

www.benefitoptions.az.gov

ADDRESS SERVICE REQUESTED



Important News About Open Enrollment!

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